City of Coral Gables

Strategic Review

December 3rd, 2021

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Overview

Thank you for the opportunity to present this Strategic Review. The purpose of the report and this meeting is to set the stage for your upcoming Property & Casualty renewals. The intent of our **CORE**360™ approach is to help you optimize your total cost of risk, thereby improving your profitability, and this discussion is critical to this evaluation.

The report summarizes the key accomplishments from your last renewal (current program) and it examines the current marketplace, our past results and any changes to your organization or risk appetite. It also challenges our past work and suggests future improvements.

We highlight each **CORE**360™ cost driver, beginning with Insurance Premiums and ending with Contractual Liability. This will not only organize the document, but also ensure we are deliberate in driving value to each of your six cost drivers which represent your total cost of risk.

This is an interactive process and we look forward to your strategic input to ensure a successful renewal. The results of this strategy will then be summarized in the Executive Summary, which will accompany your renewal proposal. We know that you have a choice and we appreciate your business.

Based on our past risk strategies (Stewardship Scorecard) and results, the current State of the Market and any changes of risk or risk appetite, the overriding goal of this meeting is to answer the following questions:

- What is our go-to-market strategy by line of coverage?
- Do we approach additional markets, and if so, which ones?
- What are our renewal expectations or goals by cost driver?
- What additional tools or resources do we need to implement?

CORE360™ Stewardship Scorecard

Your **CORE**360™ Stewardship Scorecard has been developed for you to get a quick snapshot of how we've impacted your total cost of risk over time, by monetizing the cost of risk changes by cost driver.

Insurance Premiums

- Achieved flat renewals on 3 lines of coverage.
- Reduced the Crime premium by 6%.
- This year is the 3rd year of the Equipment Breakdown rate guarantee.

Program Structure

- Provided an indication to reduce property limit from full TIV to $75M limit. This would provide a $55,000 saving
- The $5,000,000 cyber limits are now achieved by purchasing an excess cyber policy.
- Received a quote from FMIT that would change the city's insurance program from its current placement into a Trust

Coverage Gaps

- Social engineering coverage was removed from the Cyber policy. Social engineering coverage is still provided in the Crime Policy

Uninsured & Uninsurable Losses

- Trees and landscaping on city roads are not covered under the property program.

Loss Prevention & Claims

- Brit has provided $7,000 grant for loss control resources or fund.
- AJG Loss Control Team has and will continue to provide safety classes
- AJG Loss Control Portal is available free at cost.
- Brit's TEAM platform is provided free of charge
- Safety National provides MAP Client Services free of charge

Contractual Liability

- We issued 211 certificates on your behalf between 5/1/2020 to 5/1/2021
- We issued 122 certificates on your behalf between 5/1/2021 to present.

Fall/Winter Insurance Market Report – November 2021

The big picture

WHERE WE WERE: 2020 THROUGH Q3 2021

- Like 2018 and 2019, 2020 was a challenging market overall. Our clients faced significant difficulties trying to find coverage, with capacity issues and significant rate increases—for some clients as much as 50%–100% increases, often multiple years in a row.
- A confluence of factors challenged the industry, including social inflation—the trend of rising insurance costs as a result of increased litigation, plaintiff-friendly judgements and high jury awards — increased storm activity and pandemic losses. Additionally, carriers' ability to offset these results through investment income remained a challenge due to the lower interest rate environment.

WHERE WE ARE: WHAT WE'RE SEEING NOW

- Rate increases are moderating for some lines. After three years of substantial rate increases, we're reaching a point of rate adequacy in the market, which is leading to more moderate rate increases.
- The market is trending slightly flatter, though not in every service line. Cyber, for example, has kept up sizeable year-over-year rate increases, with median increases of 39%, while Workers' Compensation rates showed the smallest increases, with median increases at a mere 2.5%.
- Three years of carriers raising rates, restricting limits and increasing deductibles have generally made the market more attractive to new business. Carriers' combined ratios have improved through the first half of 2021.

WHERE WE'RE GOING: TRENDS WE ARE WATCHING

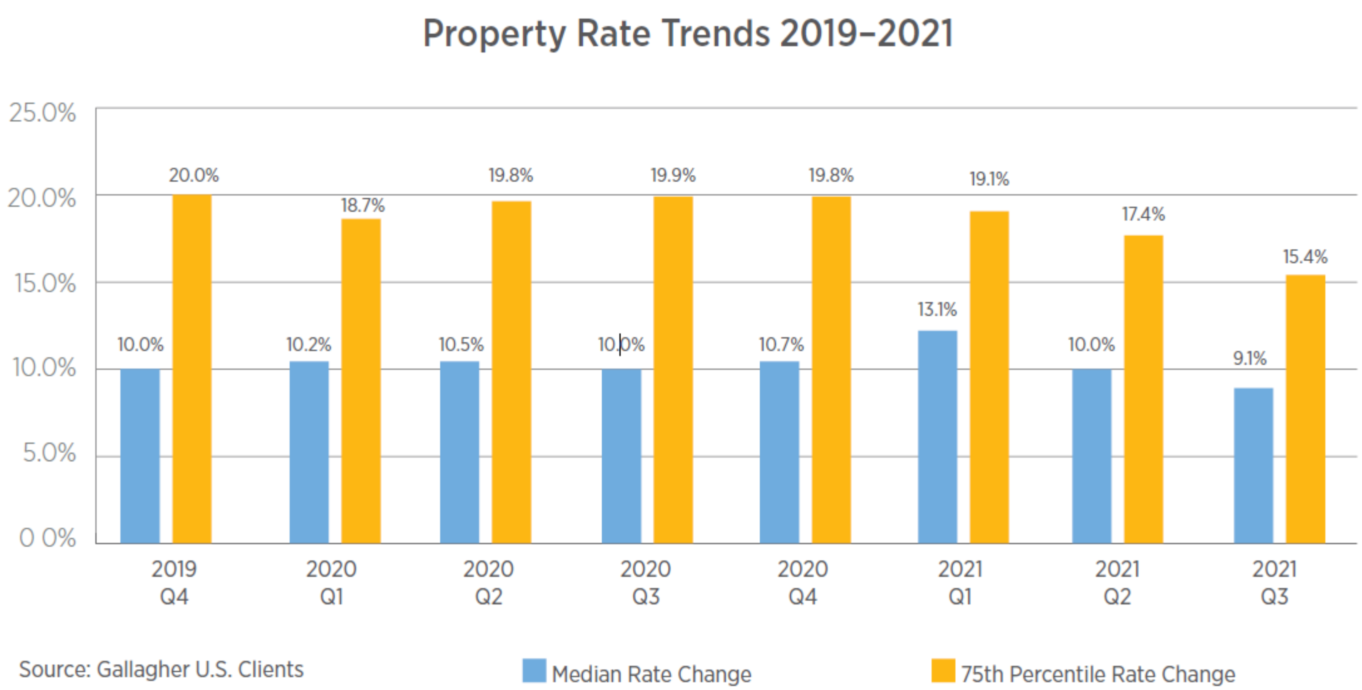
- With rate adequacy comes increased carrier competition. There are a number of new entrants to the market and increasing competition as underwriters look to write new business. We expect this to level off rates further into 2022. Exceptions are challenged placements, those with elevated risk profiles, and accounts that have experienced losses.
- Pandemic concerns about how COVID-19 will impact the industry both from a loss and exposure standpoint is starting to ebb, but some uncertainty remains.
- Social inflation remains a concern, with a particular impact on Commercial Auto, General Liability, Directors and Officers (D&O), and Umbrella/Excess insurance. This trend continues to drive rates up, albeit more moderately than in prior years.
- Modest rate reductions may be attainable for clients with an attractive risk profile that have not been out to market in years.

Read on for our analysis of the market conditions for each major line of coverage and guidance that will help ensure a successful renewal outcome.

Property

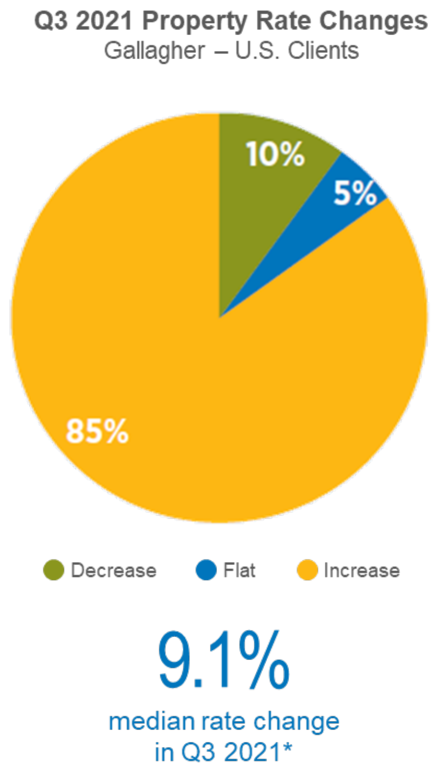
WHERE WE WERE: Q4 2019 THROUGH Q3 2021

- Between wildfires, civil commotion and major freeze events, carriers responded to 2020 and 2021 events with increased deductibles, reduced capacity, and changes in coverage. For the third straight year, carriers obtained significant rate increases across their Property portfolios.
- Less-modeled and unmodeled risks continued to plague the Property marketplace, such as wildfires, flood and convective storms.
- Carriers scrutinized their clients' statements of value, demanding in many cases that values be raised.
- Carriers required clients to address existing engineering recommendations. In many cases, particularly for clients going to market, carriers required or strongly recommended third-party engineering.



WHERE WE ARE: WHAT WE'RE SEEING NOW

- There is rising carrier competition in the marketplace, with carriers looking to write new business now that rates have risen for three consecutive years.
- There are still challenging renewals out there, especially challenging occupancies, lack of third-party engineering reports, and catastrophe-exposed businesses.
- This year has already been very active in climate-driven claims, including winter storm Uri in February, which many meteorologists claim was a one-in-1,000-year event.
- Hurricane Ida, which made landfall in August, caused significant damage in the Southeast and Northeastern United States. Carriers are now looking at $25 to $35 billion in insured losses in Louisiana and other affected areas.[1]
- The median increase in Q3 2021 for Property policies was 9.1% in Q3 2021, with 85% taking an increase.
- While the median rate of increase has not changed dramatically since Q3 2020 (10%), the rate increases for the top 25% of companies dropped from 19.9% in Q3 2020 to 15.4% as of Q3 2021.



WHERE WE'RE GOING: TRENDS WE ARE WATCHING

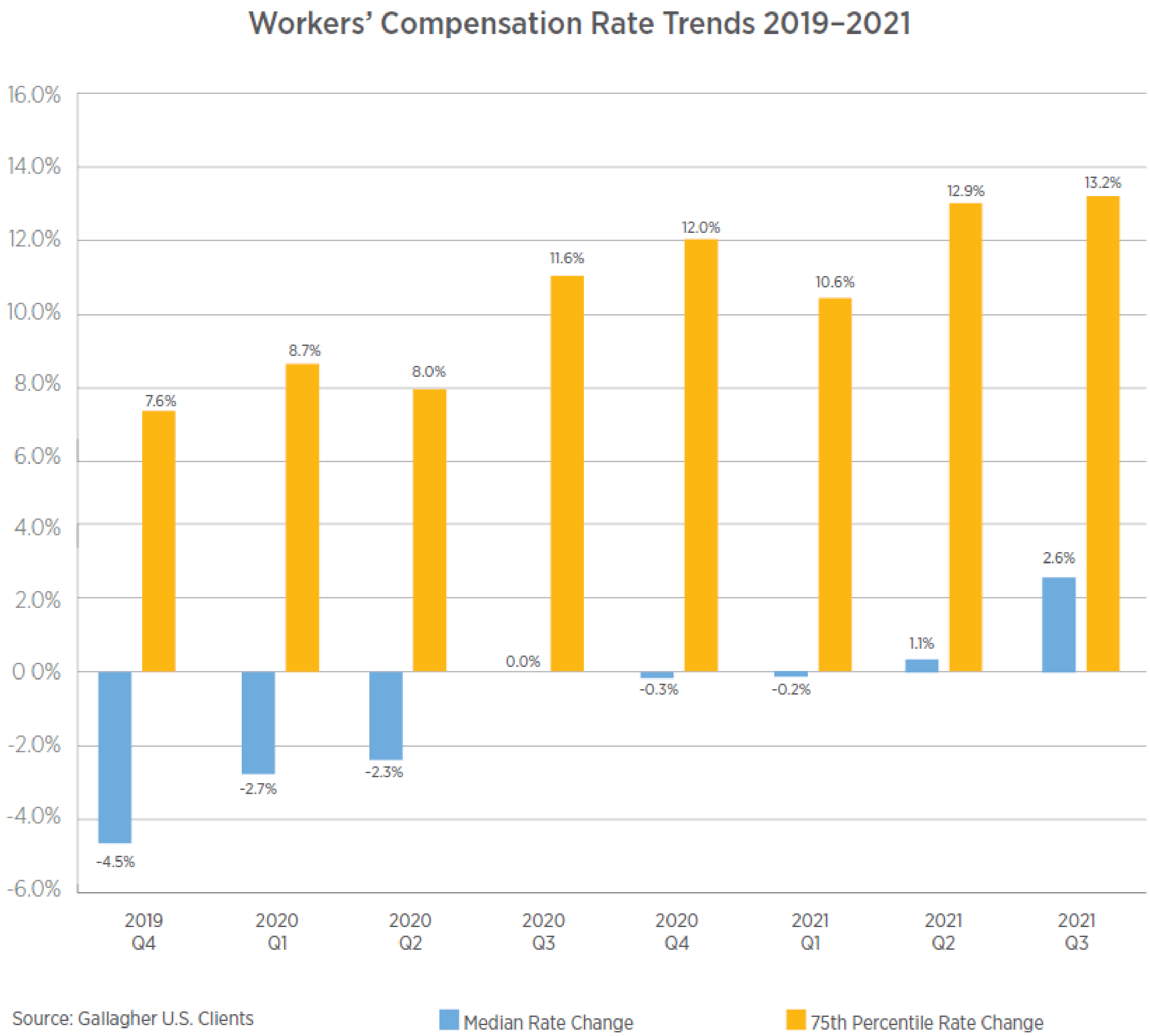
- Companies with challenging occupancies, loss activity and/or CAT-exposed can expect to see rate increases in the higher quartile.
- There are continued changes globally in the frequency and severity of perils such as tropical storms, wildfires and floods. In addition, we continue to watch some of the less well-modeled and non-modeled causes of loss, such as COVID-19.
- Third-party valuations are increasingly useful. Huge discrepancies between current insured values and the actual replacement cost at time of loss may exist for companies that have not had a third-party valuation of their buildings and contents, such as machinery, equipment or stock in a few years—or sometimes ever. Insured values, without an updated valuation, typically roll over year to year, with an arbitrary inflation factor applied to them.

[1] https://www.rms.com/newsroom/press-releases/press-detail/2021-09-06/rms-estimates-us25-35-billion-in-onshore-and-offshore-insured-losses-in-the-gulf-of-mexico-from-hurricane-ida

Workers' Compensation

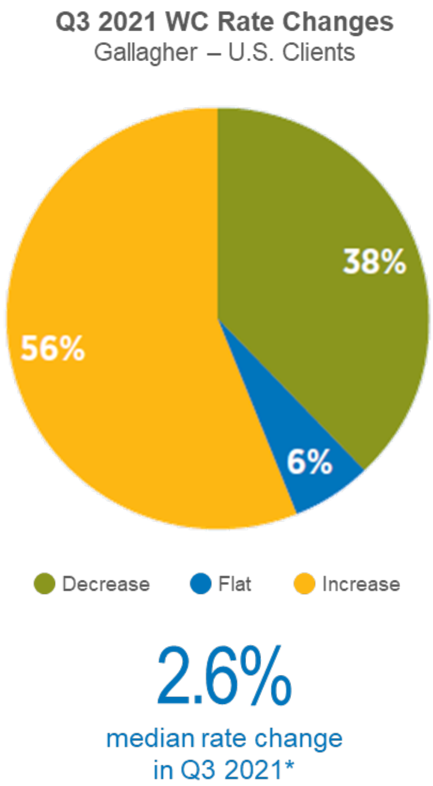
WHERE WE WERE: Q4 2019 THROUGH Q3 2021

- A drop in claim frequency during COVID-19 has positively impacted the industry's results.
- Favorable loss development in prior years (because loss estimates were initially overstated) continues to positively impact most carriers.



WHERE WE ARE: WHAT WE'RE SEEING NOW

- Workers' Compensation continues to be a profitable line of insurance for most carriers.
- Claim activity and frequency have declined recently due to more employees working from home. This trend will likely change as many employees return to the workplace.
- The median increase in Q3 2021 for Workers' Compensation policies was 2.6%, with 56% taking an increase. This is up slightly from a median increase of 0% in Q3 2020, with 49% taking an increase. Nearly four in 10 (38%) of respondents saw Workers' Compensation rates drop in Q3 2021.



WHERE WE'RE GOING: TRENDS WE ARE WATCHING

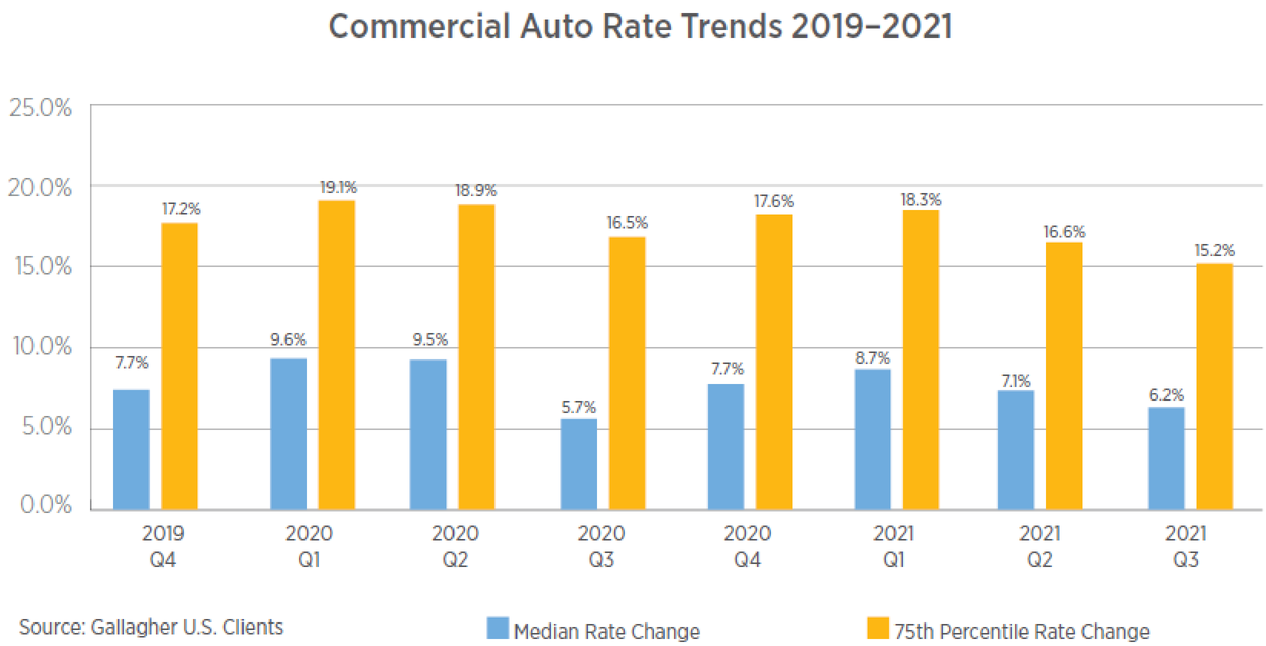
- Rate decreases may be moderating, after several quarters of rate drops for many companies. We have seen signs that the Workers' Compensation market may be hardening.
- The long-term impact of COVID-19 on Workers' Compensation remains to be seen.
- As the labor market tightens, claim frequency will likely rise as less experienced workers enter the workforce.
- We will likely see an increase in severity as rising medical costs will negatively impact Workers' Compensation claims.
- Wage inflation may result in increased premiums in Workers' Compensation. The rise in wages (and corresponding rise in premiums) could help offset the likely increase in claim frequency and severity.

Commercial Auto

WHERE WE WERE: Q4 2019 THROUGH Q3 2021

- Frequency of claims associated with the economic shutdown were down in 2020, with the biggest reduction in Commercial Auto.[2]
- While the reduction was primarily driven by employees no longer commuting to their workplace/office, it was partially offset by an uptick in home delivery transportation during the pandemic.

[2] https://www.claimsjournal.com/news/national/2021/05/14/303735.htm

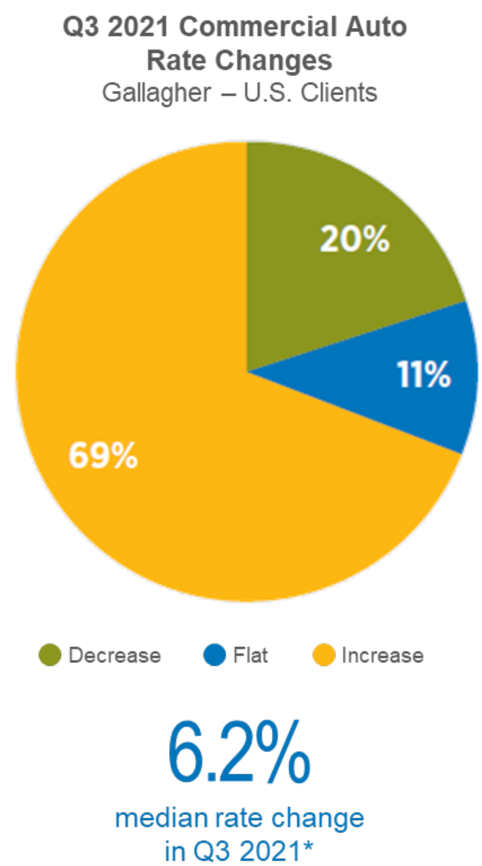


WHERE WE ARE: WHAT WE'RE SEEING NOW

- Large jury awards in Commercial Auto insurance, with penalties in excess of $10 million, are becoming increasingly prevalent.
- Social inflation is leading to larger and catastrophic claims, particularly affecting companies with large fleets.
- The median rate change for Auto policies was 6.2%, with 69% taking increases. This is a slight increase from Q3 2020, when the median rate increase was 5.7% and 66% saw increases.

WHERE WE'RE GOING: TRENDS WE ARE WATCHING

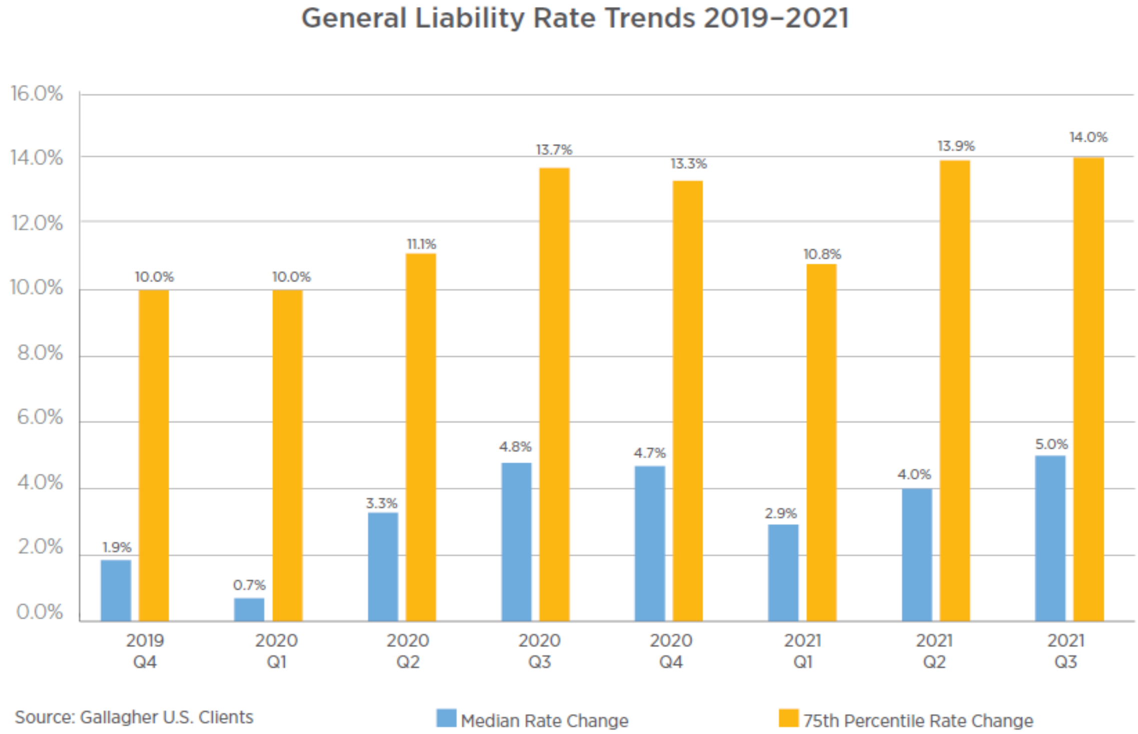
- Companies with large fleets or poor loss history may experience more significant rate increases.
- Carriers insuring large fleets are looking to attach excess layers above $1 million.
- Expect to see more and more Umbrella/Excess carriers require clients to put up a $2/$5 million primary Auto Combined Single Limit (CSL). In very rare cases, we have seen clients put up a 10 million CSL.
- If a carrier will not increase their primary limit, clients may have to find an additional carrier to put up a buffer layer, adding frictional costs.

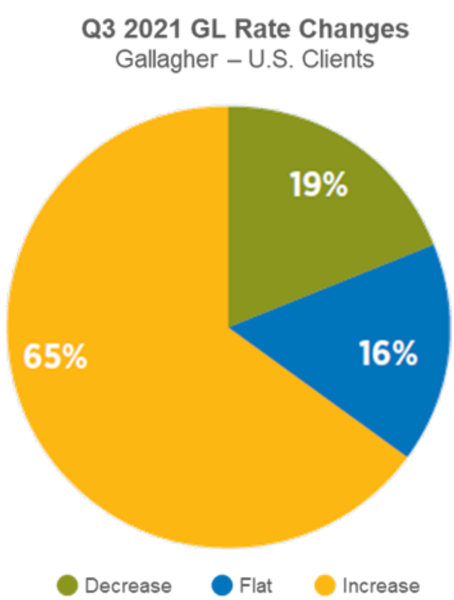


General Liability

WHERE WE WERE: Q4 2019 THROUGH Q3 2021

- The economic shutdown was responsible for a decline in claim frequency during 2020.
- Because the primary General Liability's policy limits have not changed in 25+ years, carriers remained largely insulated from the severity trends (largely social inflation) associated with some of the other lines of insurance, such as D&O, Auto, Umbrella/ Excess, etc.





WHERE WE ARE: WHAT WE'RE SEEING NOW

- Umbrella/Excess carriers are asking for higher retentions and limits in General Liability. In lieu of the traditional $1 million limit that has been the norm for the past 30 years, carriers are now asking for $2 million. The Umbrella/Excess market is driving this trend.

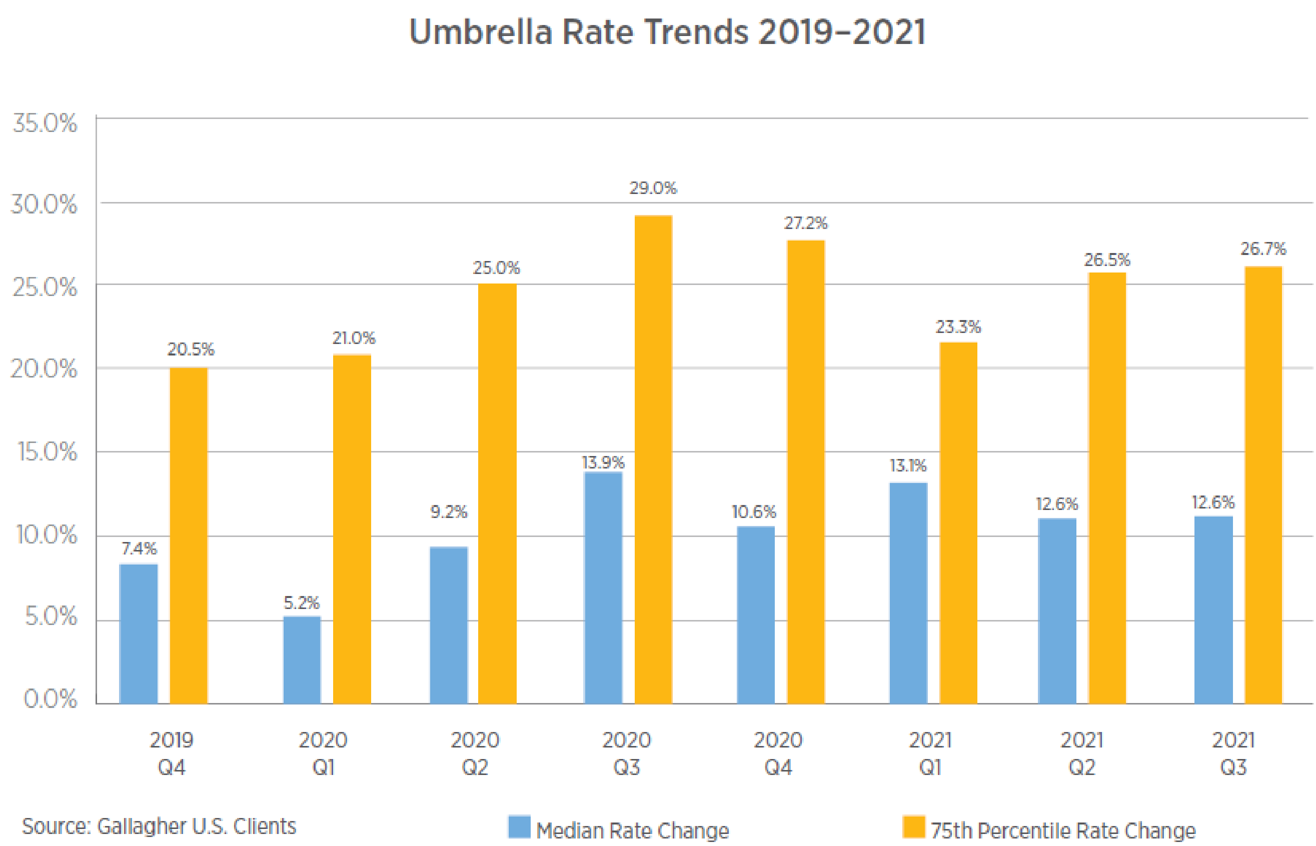
WHERE WE'RE GOING: TRENDS WE ARE WATCHING

- Most policyholders will encounter rate increases but because the primary General Liability limits have by and large remained stagnant, the rate increases will likely remain in the single-digits
- Expect to see more and more Umbrella/Excess carriers require clients to put up $2 or $4 million in primary limits.
- If a carrier will not increase their primary limit, clients may have to find an additional carrier to put up a buffer layer, adding frictional costs.

Umbrella/Excess

WHERE WE WERE: Q4 2019 THROUGH Q3 2021

- Umbrella/Excess has been a challenging market for the last few years.
- COVID-19 paused some of the impact of social inflation in 2020, but social inflation remains a factor in rate changes.
- In recent years, underwriters have cited an increase in plaintiff activity, with the rate of attorney involvement increasing to justify rate increases and limit reductions.
- Similar to plaintiff activity, underwriters contemplated the recent trend of increased litigation funding into pricing and limit deployment.
- Large judgments and settlements targeted the deep pockets of large corporations, leading to a hefty swing in rate increases for Fortune 500 companies.

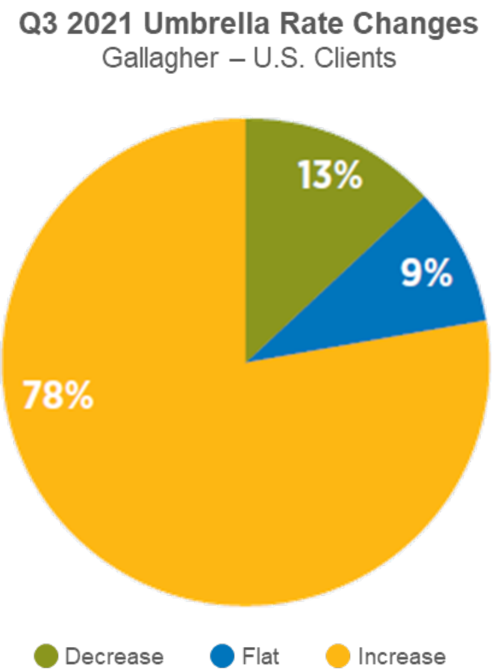


WHERE WE ARE: WHAT WE'RE SEEING NOW

- The knee-jerk reaction of rate corrections has ended. Rates will still go up but for most clients, they won't be the substantial increases like we saw in the past.
- We're seeing new entrants and additional capacity coming into the market.

WHERE WE'RE GOING: TRENDS WE ARE WATCHING

- Carriers have been able to get their portfolios into a more profitable position as a result of significant rate increases for the past few years.
- There is more competition coming into the market because it is now higher priced and hence more attractive.
- We expect rate increases to continue into 2022, yet with more moderate increases than we saw in 2021.
- In the Excess and Surplus (E&S) Casualty markets, most placements with minimal adverse loss history, including renewals, continue to require full marketing efforts and restructuring with varying attachment points.



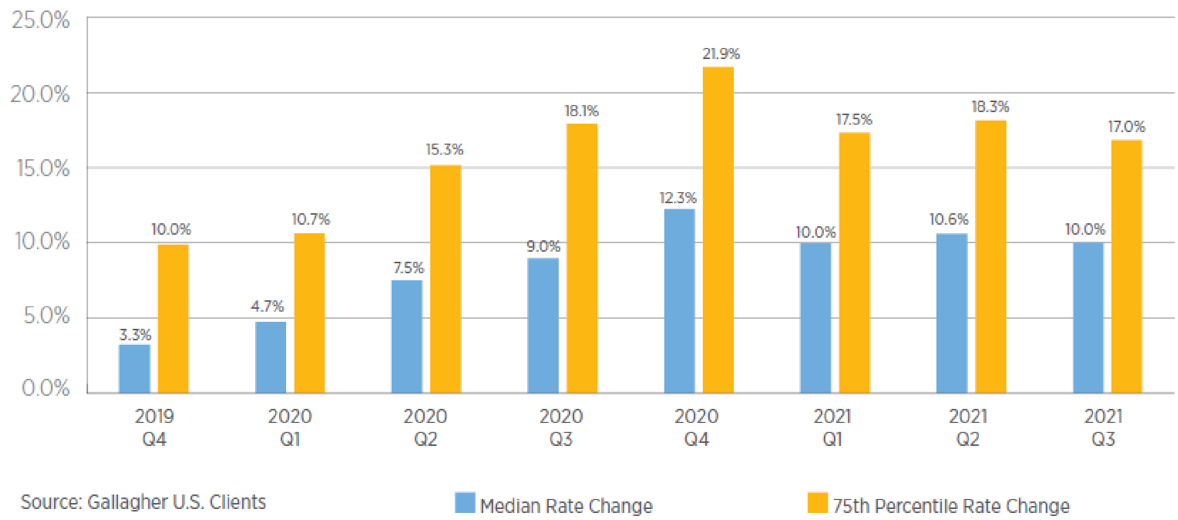
Directors & Officers

WHERE WE WERE: Q4 2019 THROUGH Q3 2021

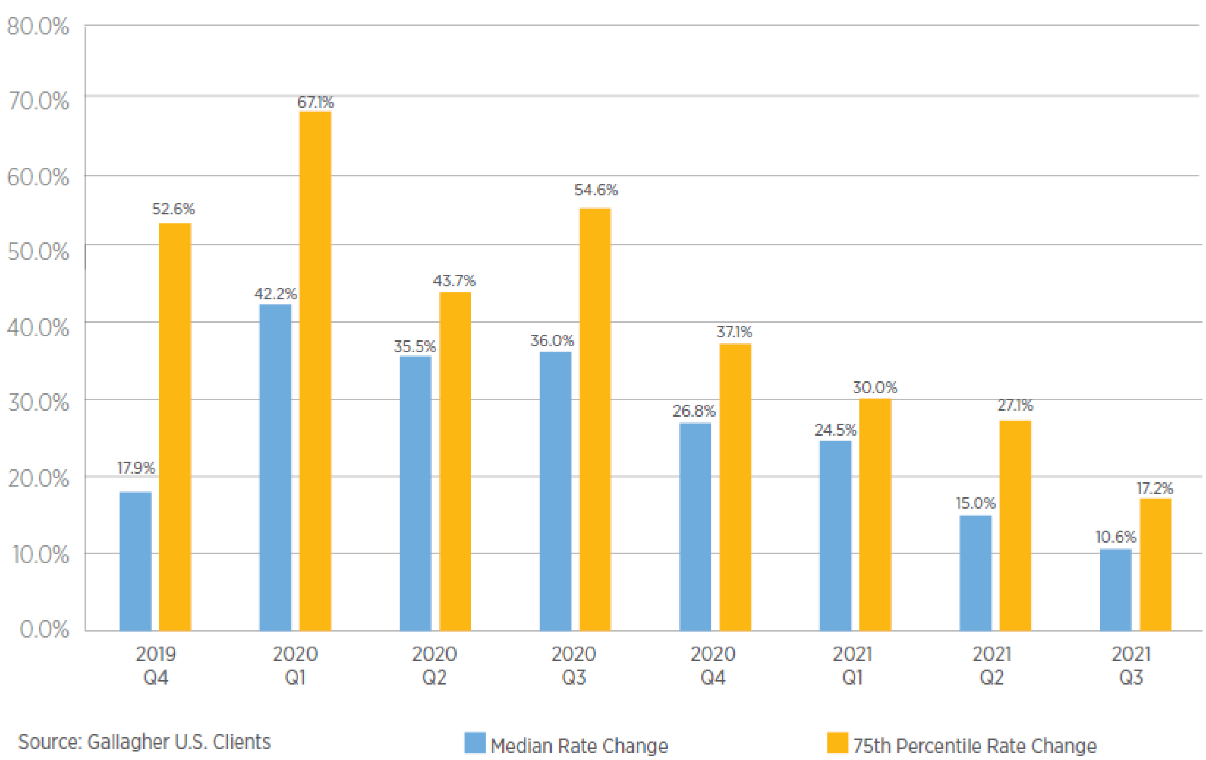
- A record number of companies went public in 2020. D&O pricing for IPOs increased dramatically, with many fearing that fewer litigation cases would be dismissed; discovery costs would not be stayed in state court; and companies could face litigation in multiple states.
- Most carriers cut capacity in 2019 and 2020, especially for IPOs, and client segments with higher risks.
- Retentions went up in 2020, as did premium pricing, particularly for public companies.
- Carriers tightened D&O terms and conditions to limit spiraling claims.
- Frequency of securities class actions increased, and core filings have been on the rise since 2015.[1]
- Emerging plaintiff attorneys have entered the securities litigation arena, bringing what some have suggested are lower-quality cases and targeting smaller companies, including smaller market cap drops.
- The shift from state court to federal court for merger objection cases has also contributed to the increase.
- Event-driven securities claims have increased, such as cyber breaches, COVID-19, the #MeToo movement and others.

[1] https://www.nera.com/publications/archive/2021/recent-trends-in-securities-class-action-litigation--2020-full-y.html

D&O Private Company Rate Trends 2019–2021

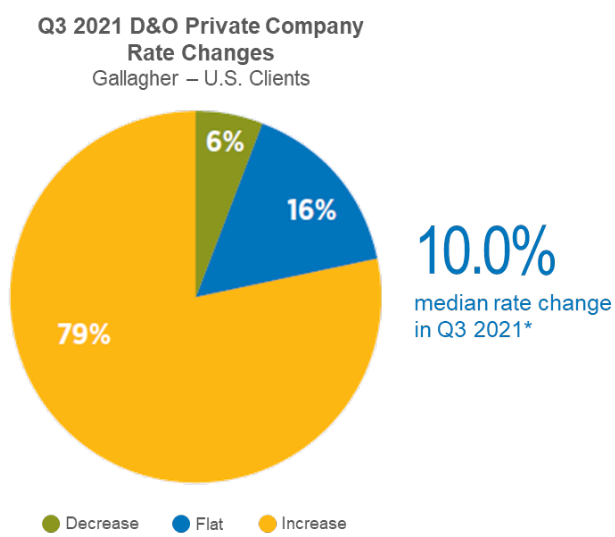


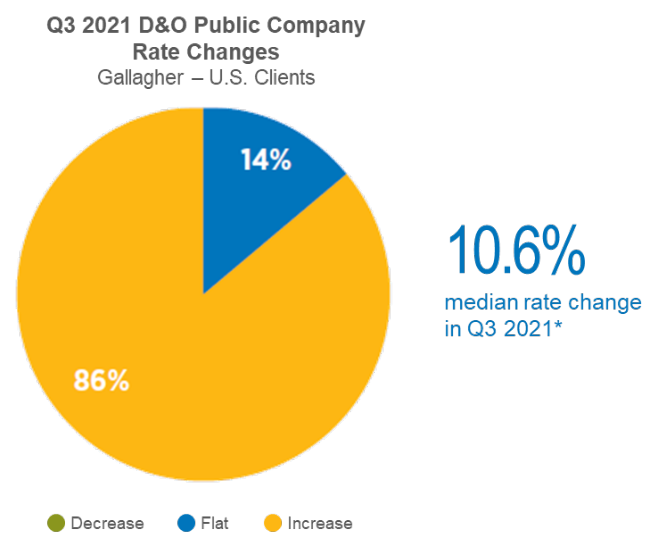
D&O Public Company Rate Trends 2019–2021



WHERE WE ARE: WHAT WE'RE SEEING NOW

- Premium price increases continue to take effect across the board and remain in the low double-digits for most accounts but a few companies will do even better.
- The market for privately held companies is as challenging as the publicly traded D&O market, although larger private companies are continuing to see double-digit increases.
- After large rate increases in 2019 and 2020, as well as in the first three quarters of 2021, most carriers have repaired their books and are looking to write new business. Moreover, there's new competition in the marketplace.
- More than 50% of D&O private companies are getting double-digit increases with 79% of all renewals taking an increase.
- Median rate increases for D&O public companies have come down in the last year. The median rate increase in Q3 2021 was 10.6%, a notable decline from 36% in Q3 2020.





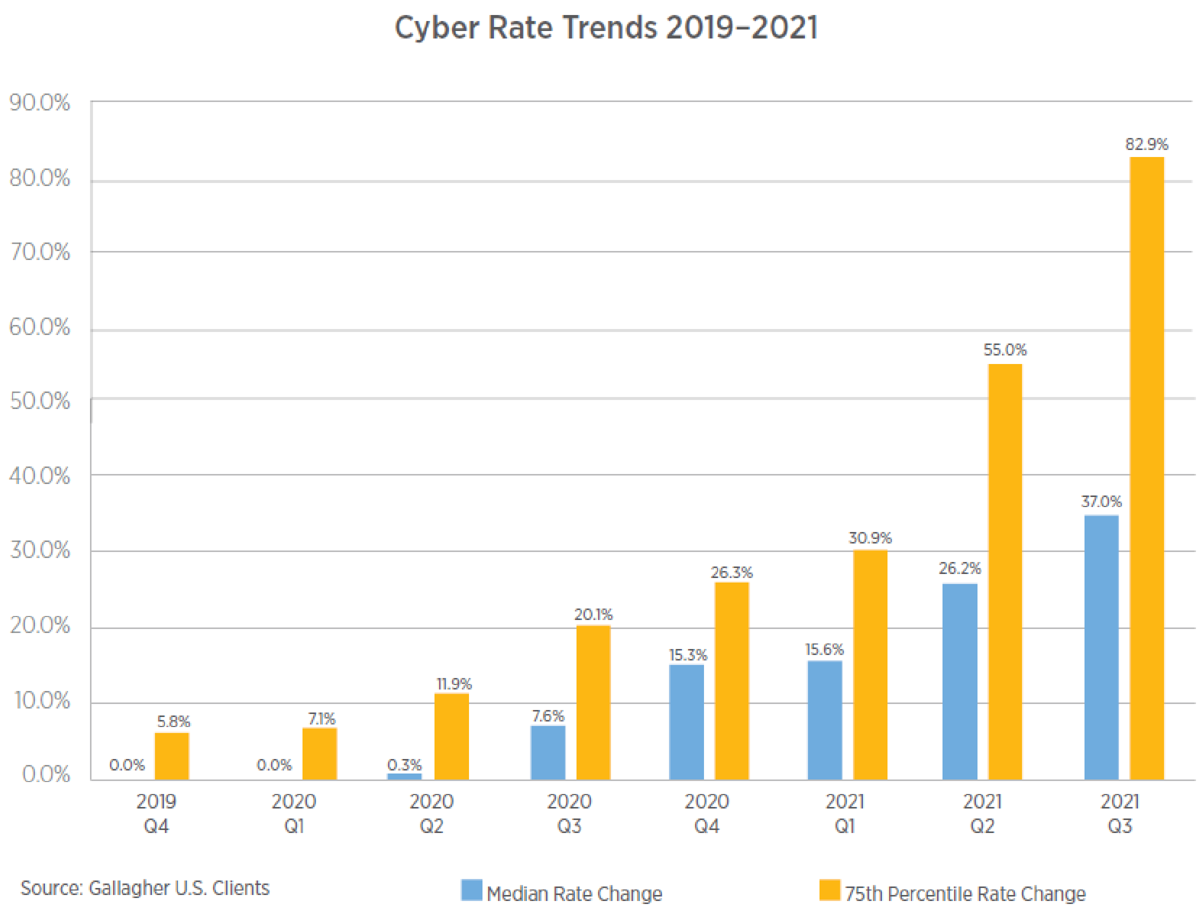
WHERE WE'RE GOING: TRENDS WE ARE WATCHING

- There is still some uncertainty surrounding COVID-19 but carriers are no longer hovering over the panic button like they were a year ago, which is helping to moderate pricing.
- D&O claims related to COVID-19 did not turn out to be particularly significant, and bankruptcies related to COVID-19 leading to D&O claims, likewise, largely did not result in significant claims.
- We expect pricing to decline slightly in this space, moving from 10%–25% a year ago to single digit rate increases by the beginning of next year.
- We expect fewer increases in retentions in 2022, absent large growth in exposures, which may continue to drive some rate increases.

Cyber

WHERE WE WERE: Q4 2019 THROUGH Q3 2021

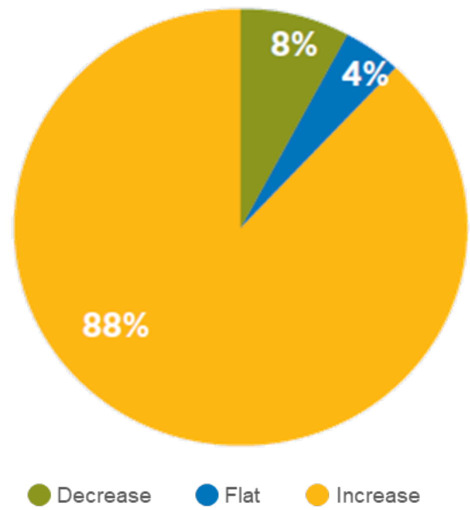
- With the rise in ransomware attacks across the U.S. and increases in carriers reported losses, the Cyber insurance market hit an inflection point in 2020.
- Carriers became pressured due to the increasing frequency and severity of cyber claims and a more stringent regulatory environment at the state, federal and international levels.
- 2020 began with the first real signs of a hardening market as the larger, more sophisticated risks in specific industry sectors became subject to greater underwriting scrutiny and ultimately increased premiums. In fact, in 2021, even those clients with optimal data security controls were seeing rate increases in the 25%–50% range. Less attractive risks saw 75% and greater increases, if they were offered terms at all.
- Ransomware attacks are a significant contributing factor to the hardening of the Cyber market.
- Carriers are responding with higher rates, higher retentions and coinsurance requirements.
- Social engineering losses also continued to mount. According to the FBI IC3 2020 Internet Crime Report, 2020 saw a record 69% increase in cybercrime from the prior year's report, with business email compromise losses accounting for half of all losses.



WHERE WE ARE: WHAT WE'RE SEEING NOW

- The ransomware and cybersecurity risk trends we saw in 2020 continued to plague the Cyber insurance market throughout the first three quarters of 2021.
- Cyber claim frequency and severity continued spiraling upward, which led to a swift response from the Cyber insurance market. Carriers imposed significant limitations of capacity, narrowed the scope of coverage terms, heightened underwriting scrutiny and significantly increased rates.
- Nearly all carriers now require attestation of at least some preventive controls, which likely include multifactor authentication, remote desktop protocol, data backup practices, segregation of networks, encryption, patch management, privileged account management, employee training and a host of others.
- Rate increases were experienced across most industry sectors, with larger companies subject to greater increases and higher underwriting scrutiny.
- Companies without best-in-class data security are likely to see rate increases in the 100%–200% range, and in some cases as high as 300%. Even those that comply with all underwriting required security controls are seeing increases in the excess of 75%.

Q3 2021 Cyber Rate Changes
Gallagher – U.S. Clients



39.0%
median rate change in Q3 2021*

- Most Cyber insurance buyers are feeling the impact through time consuming and complex renewals, with many obtaining less coverage at a higher cost.
- The median increase in Q3 2021 for Cyber companies was 39%, with 88% taking an increase.

The top 25% of companies saw **Cyber rate increases of 83%** in Q3 2021.

WHERE WE'RE GOING: TRENDS WE ARE WATCHING

- The Cyber underwriting community has responded to 2020 and 2021 loss data and Cyber claim trends with a laser focus on data security controls when evaluating risks.
- We expect even greater underwriting scrutiny of cyber security controls in the Cyber insurance market throughout the remainder of 2021, with capacity continuing to shrink.
- Insurance products will reflect decreasing carrier appetites to fully cover ransomware costs, as they push for cost-sharing in the form of ransomware coinsurance and sublimits.
- Rate hikes show no real signs of leveling off in the near term.
- This will likely force insureds to offset these costs by assuming greater self-insured retentions and taking an even greater role in actively managing cyber risk.

Maximizing renewal success

We recommend the following actions and considerations in preparing for a successful renewal. These tips and best practices apply to all lines of coverage:

- Start early; build in time for delays in the quoting process. We recommend four to six months ahead of your renewal date to begin gathering data.
- Communicate early and often with your internal and external stakeholders.
- Create a thorough underwriting submission that is accurate and up-to-date, including narrative regarding lessons learned from losses and steps you are taking to prevent future losses. Risk managers need to be willing to change and evolve with the times or will face an uphill battle with regard to renewal.
- Take the opportunity to strengthen your risk readiness by identifying and remediating vulnerabilities. Showcase positive risk factors.
- Be proactive with providing information such as third-party valuation reports, third-party engineering reports, information on assets, lists of tenants in a warehouse, outstanding recommendations from their incumbent carrier, operations, loss mitigation and loss prevention plans, etc.
- Be ready for supplemental applications that may involve highly specific questions around specialized areas such as cyber. For example, a Cyber renewal may have dozens of questions around controls specifically designed to prevent or mitigate the effects of ransomware attacks.
- If a carrier offers free or discounted risk management services such as employee training; incident response planning; and technology scans to flag known vulnerabilities, identify intrusions and address security flaws, take advantage of the opportunity. Many Cyber insurance carriers offer these types of services.
- Develop relationships with underwriters, including your incumbent and alternatives.
- Align primary and excess marketing strategies to maximize options. If appropriate, consider leveraging ancillary lines or alternative structures, such as captives and other layered and shared solutions.

While market conditions have begun to stabilize, make no mistake: this remains a challenging marketplace overall. We expect to see rates continue to moderate in many lines throughout 2022 with the exception of Cyber insurance, which remains the most troubled line we have seen in recent memory. Gallagher has expert leaders in all industries and coverage lines to provide solutions for our clients in this marketplace.

About our data

Gallagher Drive is our premier data and analytics platform that combines market condition, claims history and industry benchmark information to give our clients and carriers the real-time data they need to optimize risk management programs. When used as part of CORE360®, our unique comprehensive approach to evaluating our client's risk management program, Gallagher Drive creates meaningful insights to help them make more informed risk management decisions, find efficient use of capital, and identify the top markets with the best solutions for their risks.

Rate changes in this report were calculated by using the changes in premium and exposure of Gallagher clients renewing in Q3 2021.

***Source:** Gallagher Drive US Client Data, July 2021 – September 2021. The median is the value separating the higher half from the lower half data sample (or the middle value). Due to the variability that we're seeing in this market and specific account characteristics, individual rates may vary.

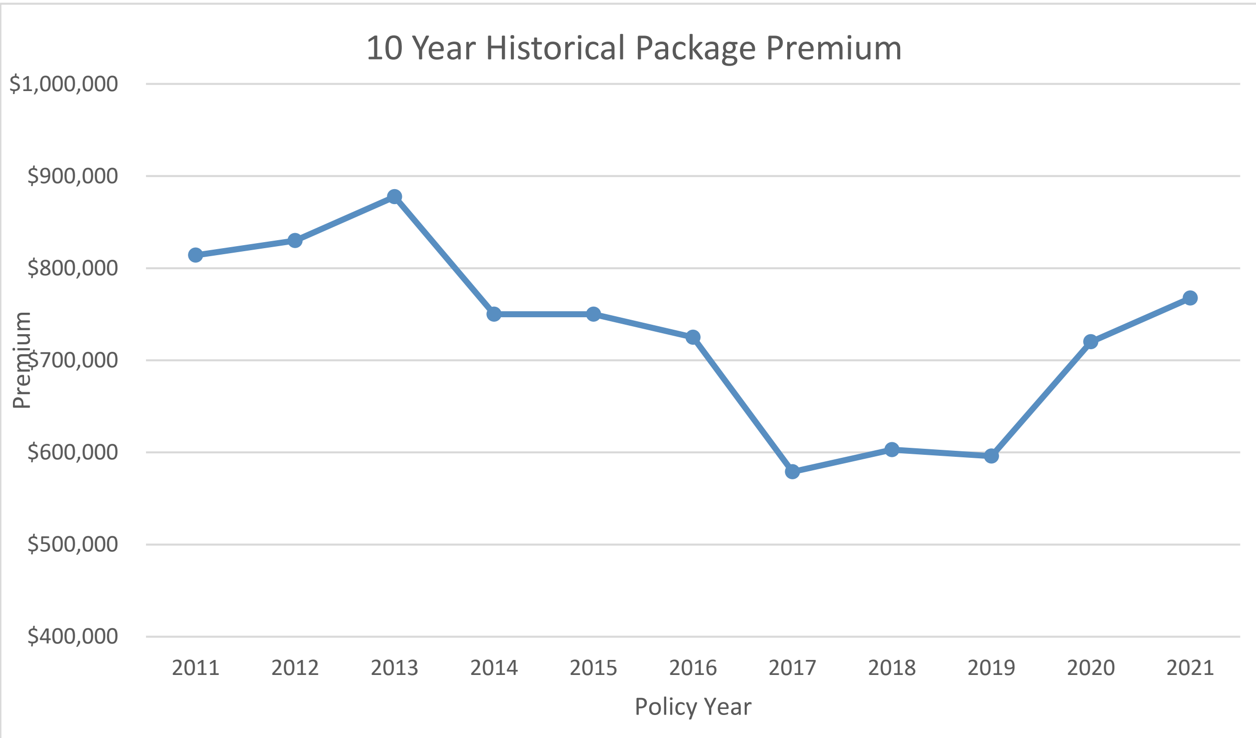
Insurance Premiums

LAST YEAR'S RESULTS

Insurance Renewal Comparison			
Policy Type	**2020-2021**	**2021-2022**	**∆%**
Package	$720,000	$767,500	6.60%
Excess WC	$154,955	$177,506	14.55%
Property	$1,328,960	$1,585,707	19.32%
Equipment Breakdown	$8,400	$10,135	20.65%
ADD Business Travel	$360	$750	108.33%
ADD Police & Fire	$12,338	$12,864	4.26%
Bond Finance Director	$1,138	$1,138	0.00%
Storage Tank/ Pollution	$23,500	$23,900	1.70%
Crime	$11,798	$11,079	-6.09%
Sports Liability	$26,505	$29,608	11.71%
ADD Sports	$13,306	$10,030	-24.62%
Cyber Liability	$21,375	$86,635	305.31%
Terrorism Property & Liability	$20,350	$20,000	-1.72%
Flood	$8,794	$9, 261	5.31%
Active Assailant	$6,000	$5,900	-1.67%
Total without surcharges	**$2,357,779**	**$2,752,013**	**17%**
EMPA & TRIA	$4,476	$3,728	-16.71%
*Property Schedule Changes	$140,766		
Total after surcharges	$2,503,021	$2,755,741	10%
Premium Increase		$252,720	
Broker Fee	$120,000	$90,000	-25%
Total Cost of Program	**$2,623,021**	**$2,845,741**	**8.49%**
*Addition of Fire Station 2, Trolley Building & Station, Public Safety Building and the removal of the Guard House and Old Public Safety Building.			

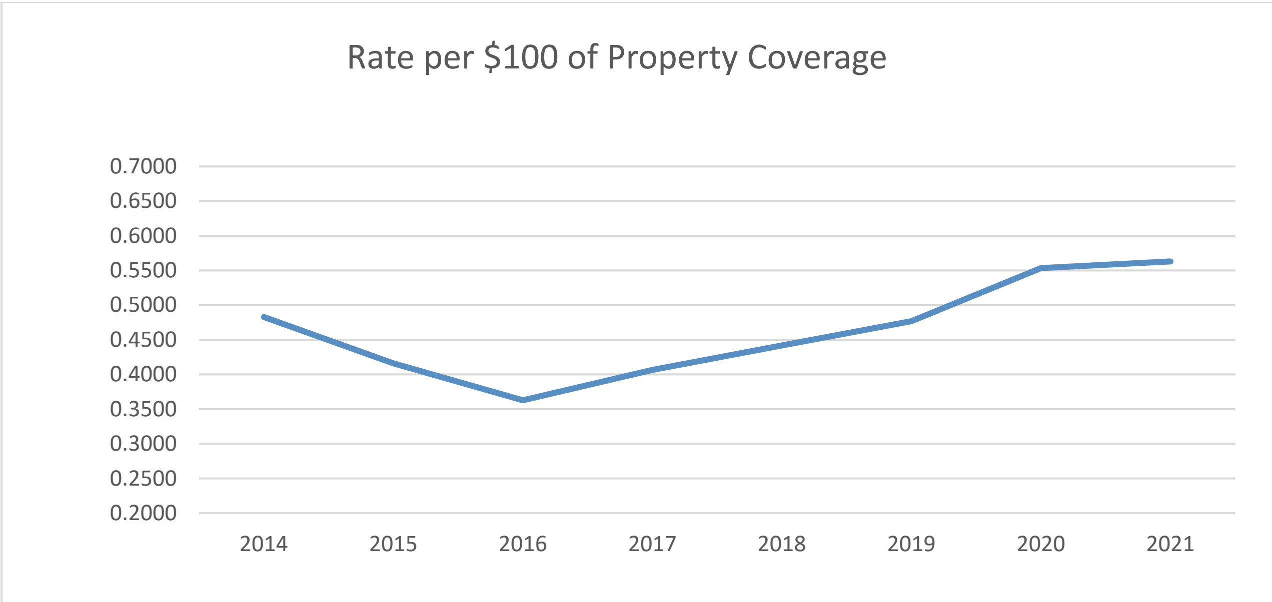
Insurance Premiums

10 YEAR HISTORICAL PACKAGE PREMIUM COMPARISION



Policy Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Premium	$814,012	$829,903	$877,495	$750,000	$750,000	$725,000	$579,000	$603,000	$596,000	$720,000	$767,500

HISTORICAL PROPERTY RATE



Policy Year	2014	2015	2016	2017	2018	2019	2020	2021
Property Rate	0.4828	0.4160	0.3627	0.4065	0.4419	0.4768	0.5527	0.5630

In 2017, $25,000,000 additional NWS limits were purchased.

RENEWAL STRATEGY

Every year we should consider three “go to market” strategies by line of coverage, based on this strategy discussion. These are the three strategies along with possible considerations of each:

1. Negotiate and renew with the incumbent carrier(s). This is preferred if we:
   - Believe we can achieve the renewal goals without additional competition
   - Tested this carrier with competitors in the last few years
   - Recently paid a large claim or had a bad loss year and are willing to be fair and competitive at renewal
   - Are happy with the carrier’s service
2. Negotiate with a few carriers, including the incumbent. This is preferred if:
   - We are trying to consolidate the number of carriers on all your policies
   - We are ready to test the market for a variety of reasons, but keep the competition contained and are confident this short list will be competitive
   - There are not many markets as options, due to the risk
3. Negotiate with as many markets as we think are viable. This is preferred if:
   - The incumbent market is non-renewing or is driving you to move
   - The incumbent has had no competition for more than 10 years
   - There have been significant changes of risk, risk appetite or personnel from Client or carrier

The 3rd strategy is what we will proceed with going into the City’s 2021 renewal. We will continue to negotiate with FMIT to determine if they are able to offer a favorable renewal option.

Program Structure

MAY 1ST 2021 MARKETING LIST

CARRIER	LINE OF COVERAGE	CARRIER POSITION
Certain Underwriters at Lloyd's, London	Public Entity Package	Quoted
Safety National Casualty Corporation	Public Entity Package	Quoted
FMIT	Public Entity Package	Quoted
Munich Re Insurance	Public Entity Package	Indicated
Trident	Public Entity Package	Declined
Euclid	Public Entity Package	Declined
Old Republic	Public Entity Package	Quoted
Safety National Casualty Corporation	Excess Workers Compensation	Quoted
FMIT	Excess Workers Compensation	Quoted
Midwest Employers Casualty Company	Excess Workers Compensation	No Response
Hartford Fire Insurance Company	Public Official Bond	Quoted
FMIT	Public Official Bond	Quoted
Indian Harbor	Pollution Liability	Quoted
Scottsdale Insurance Company	General Liability (Sports)	Declined
AIG	General Liability (Sports)	No Response
Zurich American Insurance Company	General Liability (Sports)	Declined
Philadelphia Insurance Company	General Liability (Sports)	Quoted
Philadelphia Insurance Company	ADD Amateur Sports	Quoted
Zurich American Insurance Company	ADD Amateur Sports	Quoted
AIG	ADD Amateur Sports	Quoted
Travelers Property Casualty Co of America	Boiler & Machinery	Quoted
FMIT	Boiler & Machinery	Quoted
Travelers Property Casualty Co of America	Crime	Quoted
FMIT	Crime	Quoted
Hartford Fire Insurance Company	ADD Business Travel	Quoted
FMIT	ADD Business Travel	Declined
Hartford Fire Insurance Company	ADD Police & Fire	Quoted
FMIT	ADD Police & Fire	Declined
Certain Underwriters at Lloyd's, London	Cyber Risk Liability	Declined
Ace American Insurance Company	Cyber Risk Liability	Declined
Ascent	Cyber Risk Liability	Quoted
AIG	Cyber Risk Liability	Declined
XL	Cyber Risk Liability	Declined
Axis	Cyber Risk Liability	Declined
Corvus	Cyber Risk Liability	Declined
Travelers	Cyber Risk Liability	Declined
At-Bay	Cyber Risk Liability	Declined
Coalition	Cyber Risk Liability	Declined
Chubb	Cyber Risk Liability	Declined
CFC	Cyber Risk Liability	Declined
Starr	Cyber Risk Liability	Declined
Canopius	Cyber Risk Liability	Declined
Arch	Cyber Risk Liability	Declined

TMHCC	Cyber Risk Liability	Declined
Everest	Cyber Risk Liability	Declined
Ascot	Cyber Risk Liability	Declined
Ironshore	Cyber Risk Liability	Declined
AWAC	Cyber Risk Liability	Declined
Nationwide	Cyber Risk Liability	Declined
RSUI	Cyber Risk Liability	Declined
Sompo	Cyber Risk Liability	Declined
Zurich	Cyber Risk Liability	Declined
Beazley	Cyber Risk Liability	Declined
Atlantic Specialty Insurance Company	Tenant Users Liability	Automatic Renewal
Atlantic Specialty Insurance Company	Tenant Users Property	Automatic Renewal
Roanoke	Terrorism Property	No response
Roanoke	Active Assailant	No response
Voyager	Flood	Quoted
FMIT	Property	Quoted
Alesco Risk Management Services	Property	No response
Allied World Assurance Company	Property	No response
AmWINS Bermuda	Property	Quoted
ARCH Insurance Group	Property	Quoted
Arrowhead Insurance Risk	Property	No response
Managers, LLC	Property	No response
Aspen Insurance	Property	No response
AXA XL, a division of AXA	Property	No response
AXIS Insurance	Property	Quoted
Beazley USA	Property	No response
Berkshire Hathaway Specialty	Property	No response
Insurance Company	Property	No response
Canopius Underwriting Agency, Inc	Property	No response
Colony Specialty	Property	No response
Core Specialty	Property	No response
Crum & Forster	Property	No response
Ethos Specialty	Property	No response
Evanston Insurance Company	Property	Quoted
Everest Reinsurance Company	Property	Quoted
Global Excess Partners	Property	No response
Hallmark E&S	Property	No response
Hiscox USA	Property	No response
Homeland Insurance Company of New York	Property	Quoted
Ironshore	Property	Quoted
James River Insurance Company	Property	No response
Kemah Capital LLC	Property	No response
Kinsale Insurance Company	Property	No response
Landmark American Insurance Co	Property	Quoted
Lexington Insurance Company	Property	No response
Lloyds London Eagle	Property	Quoted
Markel	Property	No response
Munich Re America	Property	No response
Navigators Group	Property	No response
Rivington Partners	Property	No response
RSUI	Property	Quoted

Sompo International	Property	No response
SRU	Property	No response
Starr Companies	Property	No response
Swiss Re	Property	No response
Velocity Risk Underwriters, LLC	Property	No response
Waypoint (AmRisc)	Property	No response
Westchester, A Chubb Company	Property	No response

Program Structure

COMPARISON OF LIABILITY EXPOSURES AT MAY 1ST 2021 RENEWAL

Exposures	2020-2021	2021-2022	% Change
Expenditures	$ 229,939,150	$ 207,212,038	-10%
# of Employees (FT & PT)	977	978	0.10%
# of Autos	626	644	3%
Payroll	$ 71,014,924	$ 76,019,911	7%
EMTs	Included below	Included below	
Paramedics	139	139	0%
Armed Officers	193	198	3%
Population	50,815	50,999	0%
TIV	$ 240,167,979	$ 281,656,889	17%

	2020-2021	2021-2022	% Change
Sports Program # of participants	16,919	16,919	0%

COMPARISON OF TOTAL INSURED VALUES AT MAY 1ST 2020 RENEWAL

Schedule of Values	2020-2021	2021-2022	% Change
Building	$ 179,077,000	$ 217,649,640	22%
Contents	$ 11,322,000	$ 12,492,611	10%
Vehicles	$ 18,155,205	$ 18,155,205	0%
Golf Carts	$ 179,433	$ 179,433	0%
BI	$ 5,285,000	$ 5,285,000	0%
EDP	$ 16,163,341	$ 17,500,000	8%
EDP EE	$ 2,000,000	$ 2,000,000	0%
Account Receivable	$ 1,000,000	$ 1,000,000	0%
Fine Arts	$ 3,500,000	$ 3,500,000	0%
Valuable Papers	$ 500,000	$ 500,000	0%
Pump Stations	Included	Included	
Fountains	Included	Included	
Seawalls & Docks	$ 2,986,000	$ 3,395,000	14%
Total	$ 240,167,979	$ 281,656,889	17%

LARGE LOCATIONS AT RISK AT MAY 1ST 2021 RENEWAL

Building Name	Address	Total Insured Value
Public Safety Building	2151 SALZEDO RD	$ 52,014,000
Parking Garage 2	220 ARAGON AVENUE	$ 23,459,000
Parking Garage 6	1 ARAGON AVENUE	$ 16,679,000
Museum	285 ARAGON AVENUE	$ 13,201,000
City Hall	405 BILTMORE WAY	$ 12,686,000

The August appraisal did not affect these values

2021-2022 PROGRAM STRUCTURE

Property Including Pumps & Fountains

$50MM Named Windstorm Limit
$281,656,889 All Other Perils Limit

Everest Indemnity Insurance Co.
Underwriters at Lloyd's, London Canopius Syndicate 4444-Eagle
Arch Specialty Ins. Co.
Named Windstorm Only
$25MM XS of $25MM per Occ

Landmark American Insurance Co.

2nd Excess Property
$206,656,889 XS $25MM per Occurrence

Homeland Insurance Co.

2nd Excess Property
$50MM XS $25MM per Occurrence

Evanston Insurance Co.
Ironshore Specialty Insurance Co.
Axis Surplus Insurance Co.
Arch Specialty Insurance Co.

First Excess Layer
$15MM XS of $10MM Per Occurrence

Endurance American Specialty Insurance Co.
Certain Underwriters at Lloyds
Houston Casualty Company

$10,000,000 in any Occurrence
Primary Property

Deductibles
$50,000 per Occurrence All Other Perils
72 –Hour waiting for Time Element
$50,000 Earthquake
Flood $100,000 Excess Maximum NFIP Limit available for Special Flood Hazard Areas for Special Flood Hazard Areas (Prefix A or V)
5% of Total Insured Values affected at per unit subject to $250,000 per occurrence minimum and max of $7,500,000 Flood as a result of Named Windstorm
5% of the replacement cost value of each unit of insurance as per schedule on file subject to a min deductible of $250,000 per occurrence and a max of $7,500,000 per occurrence in respect to Named Windstorm and Hail
$100,000 per occurrence All Other Windstorm of Hail

Property & Liability Terrorism

Certain Underwriters at Lloyd's

Property Limit
$100,000,000

Liability Limit
$25,000,000

Deadly Weapon Protection Limit
$1,000,000

Property Deductible
$10,000

Boiler & Machinery

Travelers Property Casualty Company

Total Limit
$250,000,000

Deductible
$1,000

Public Entity Liability

❖ Carrier: Certain Underwriters at Lloyd's of London

- **General Liability** $4,650,000 per occurrence
  $9,000,000 Annual Aggregate

Including the following sub-limits
  Sexual Harassment $4,650,000 per occurrence $4,650,000 Annual Aggregate

- **Automobile Liability** $4,650,000 per occurrence

- **Public Officials** $4,650,000 per occurrence
  $5,300,000 Annual Aggregate.

Including the following sub-limits:
  Errors & Omissions* $4,650,000 per occurrence $5,300,000 Annual Aggregate
  Employment Practice Liability* $4,650,000 per occurrence $5,300,000 Annual Aggregate
  Sexual Harassment $4,650,000 per occurrence $4,650,000 Annual Aggregate

- **Employee Benefits Liability*** $4,650,000 per occurrence
  $5,300,000 Annual Aggregate

- **Law Enforcement Activities** $4,650,000 per Occurrence
  $5,000,000 Annual Aggregate

Including the following sub-limit (not included in excess limit):
  Sexual Harassment $4,650,000 per occurrence $4,650,000 Annual Aggregate

- **Sexual Abuse Liability*** $4,650,000 per occurrence $4,650,000 Annual Aggregate

* Claims Made Coverage applies. Refer to policy for applicable Retroactive Date and Limits

SIR
Per Occurrence $350,000

Workers' Compensation

Carrier: Safety National Casualty Corporation

Excess Workers Compensation
Statutory
Employers Liability: $1,000,000 each accident / each employee for disease or cumulative injury
Retention: $1,000,000

❖ Carrier: Certain Underwriters at Lloyd's of London

WC: $500,000 per occurrence
Employers Liability $500,000 per occurrence

SIR
Per Occurrence $500,000

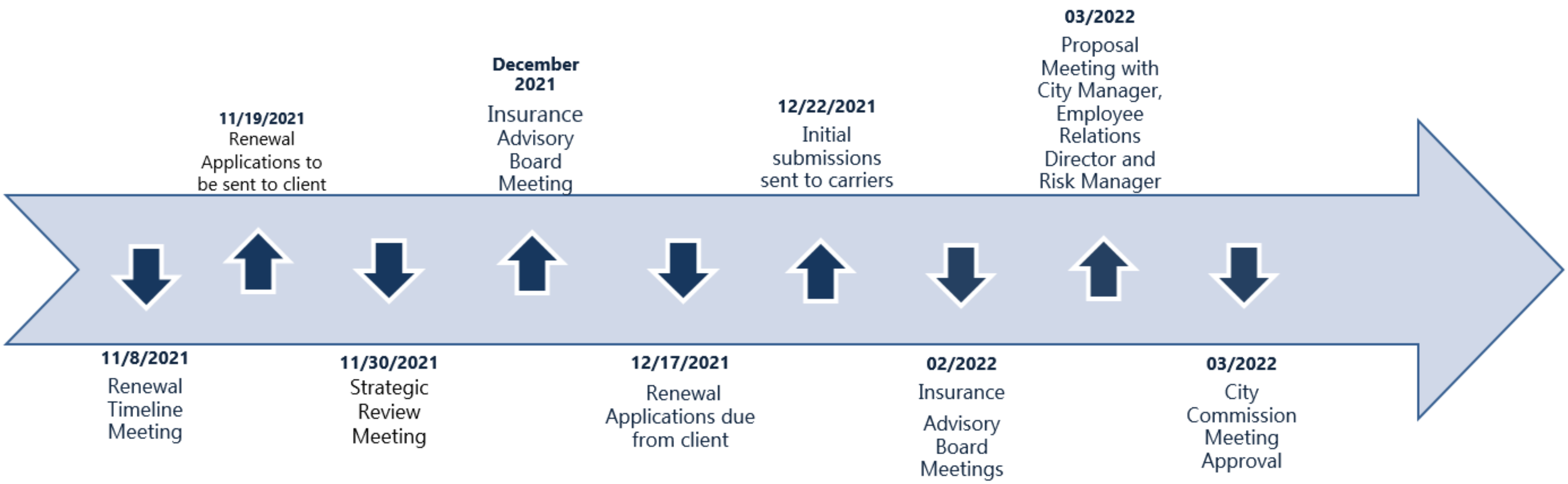
Please note that coverages are not drawn to scale and actual policy verbiage should be consulted for coverage terms and conditions

Proposed Renewal Strategy Summary

Insurance Premiums	
Program Structure	
Coverage Gaps	
Uninsured & Uninsurable Losses	
Loss Prevention & Claims	
Contractual Liability	

Renewal Timeline

2022 City of Coral Gables Property and Casualty Insurance Program Renewal Timeline



Your Team

Your Gallagher team is a true partner. We have the expertise to understand your business and we're here to service and stay alongside you, every step of the way.

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Thank You for Your Business

We have enjoyed our partnership and appreciate the continued time, support and confidence you have placed in us as your risk management team. This past year has been successful as evidenced by your scorecard. Your total cost of risk is being impacted favorably and our strategy for this upcoming renewal continues to focus on ways to improve this positive impact on your profitability. Thank you.

We help you face your future with confidence.

Around the globe and across a full spectrum of insurance, risk management and consulting services, we're working every day to help businesses grow, communities thrive and people prosper.

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Founded in

1927

$5.7B

Total adjusted Brokerage & Risk Management revenues (2019)

33,000+

Employees worldwide

950+

Offices in 49 countries

150+

Countries served

HIGHLY SPECIALIZED. DEEP EXPERTISE.

Casualty
Commercial Surety & Bonds
Credit & Political Risk
Cyber Liability
Management Liability
Property

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Gallagher CORE360®

CORE360™ is our unique, comprehensive approach to evaluating our client's risk management program that leverages analytical tools and diverse resources for custom, maximum impact on six cost drivers of their total cost of risk.

26+ INDUSTRY PRACTICES

Aerospace
Asia Pacific
Automotive
Construction
Energy
Enterprise Risk Management
Entertainment
Environmental
Equity and M&A
Financial Institutions
Fine Arts
Food & Agribusiness
Healthcare
Higher Education
Law Firms
Life Sciences
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Religious
Restaurant
Risk Management
Senior Living
Technology
Transportation

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